

## Strategy, Analytics & Execution: Three Key Steps Toward Performance Optimization

A former colleague of mine always said “data is power”. While data is clearly important, data alone is never the solution to Optimizing Operational and Financial Performance in the Physician Enterprise.

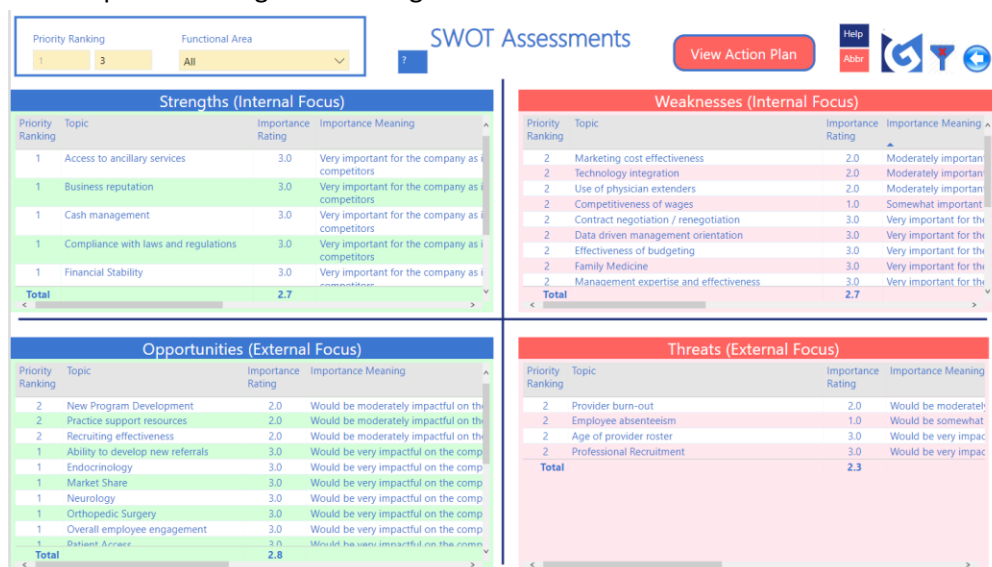
Many of us realize that virtually all Hospital employed Physician Practices do not perform as well as their independent Private Practice counterparts – and in fact lose money at the bottom line for the organizations. While there are several strategic factors that account for a significant portion of these bottom line losses, there are other more operationally actionable factors that can be optimized to improve overall financial and operational performance in these employed practices.

While access to critical, accurate data is certainly important, this data (in an of itself) will not be sufficient to solve the problem of; How can we lose less money in our employed Physician Enterprise? In order to truly identify actionable opportunities to improve performance in these practices, EBMGroup utilizes the combination of a proven approach and our proprietary cloud-based & industry-configured SAE Optimizer™, powered by GrandMetrics™ to lead clients through these three key steps:

### 1. Strategy

Reviewing data without a plan is never very useful or effective. Therefore, it is critical that the Physician Enterprise undertake a rigorous and guided Strategic Planning process that will combine expert consulting and facilitation resources with the organization’s own internal knowledge and insights to develop a comprehensive plan for success. While things rarely go according to plan, the more planning that is done up front helps organizations to deal with whatever actually happens. Developing a meaningful Strategy starts with completion of a comprehensive SWOT Assessment. Figure 1 shows an example of the SWOT assessment deliverable resulting from our detailed and guided planning process.

Figure 1. EBMGroup clients are guided through a detailed SWOT Assessment



Once a meaningful SWOT Assessment is complete, our expert Team guides our clients through a detailed Strategic Planning session that focuses organizational thinking and planning around the development of meaningful Objectives combined with specific Initiatives and Actions identified as necessary to achieve desired performance results. Figure 2 shows an example of a Strategic Plan Summary with drill down to the specific KPIs necessary to track performance across specific Objectives and Actions.

One final, but critically important step is to develop performance goals and assign responsibility from the “C Suite” level on down to the individual Provider and Manager levels. Failure of organizations to delineate a clear understanding of “who” is responsible for “what” is the single most common reason that their stated goals are never achieved.

Figure 2. SAE Optimizer documents the Strategic Plan with detailed drill down to specific assignments.

The screenshot displays the 'Strategic Plan Summary' interface with 60 actions. The table below represents the data shown in the main view:

Objective	Key Performance Indicator	Action ID
■ Manage Major Financial Statement Line Items		Expand to View
■ Manage Payer Rates		Expand to View
■ Manage Practice Expenses		Expand to View
■ Optimize Enterprise Brand Performance		Expand to View
■ Optimize Provider Compensation Alignment		Expand to View
■ Optimize Provider Productivity / Efficiency		
○ Improve provider productivity		
Identify & Reward high performers+	Provider Productivity Incentives	3
Maximize days worked per month+	Actual Days Worked	7
Optimize E&M Coding levels+	Established Outpatient Coding Levels vs Desired	5
Optimize Encounter Value+	wRVUs per encounter	8
○ Optimize Scheduling		
Decrease appointment no-show rates+	Encounters per day	2
Optimize physician scheduling+	wRVUS Fav (Unfav) vs Desired	1
■ Optimize Revenue Cycle		Expand to View

The right sidebar contains the following filter sections:

- View Other Filters** (button)
- Action Assigned To**: All (dropdown)
- SecondaryMeasureBasis**: All (dropdown)
- Specialty**: All (dropdown)
- Location**: All (dropdown)
- Organization Hierarchy**:
  - Select All
  - CEO
  - Dr. Clinton
  - Dr. Jefferson
  - Dr. Washington

## 2. Analytics

Remember the notion that “data is power”? Truth be told, data is only powerful only if it coupled with appropriate situational context and understanding. The development of a Strategic Plan, organizational Objectives, Initiatives and specific Actions with assigned performance Goals all serve to provide the required context and understanding surrounding the data. Robust data Analytics enables the organization to clearly understand current levels of performance associated with a vast array of important Key Performance Indicators (KPIs). Therefore, the next critical step for the organization is the development of an understanding of which KPIs must be utilized to deliver a clear and meaningful picture of performance across

the overall organization and on down to the responsible individual level. Figure 3 shows how we utilize SAE Optimizer™ Analytics to track performance under multiple KPIs against stated Goals.

Figure 3. Understanding performance across multiple KPIs puts “power” into data.

6 actions Key Performance Indicator Last Status (Actions)										
Business Objective	Initiative	Action	Month	Key Performance Indicator	Anchor	Goal	Last Value	Last vs Anchor	Last vs Goal	Monthly Actual Trend
Optimize Provider Productivity / Efficiency	Improve provider productivity	Maximize days worked per month	September 2018	Actual Days Worked		427.92	415.83		-3 %	
		Optimize E&M Coding levels	September 2018	Established Outpatient Coding Levels vs Desired		1.00	0.96		-3 %	
		Identify & Reward high performers	September 2018	Provider Productivity Incentives		398.46	34,948.01		+8671 %	
	Optimize Scheduling	Optimize Encounter Value	September 2018	wRVUs per encounter		2.46	2.24		-9 %	
		Decrease appointment no-show rates	September 2018	Encounters per day		18.06	18.88		+5 %	
		Optimize physician scheduling	September 2018	wRVUS Fav (Unfav) vs Desired		-416.53	-1,781.63		+328 %	

### 3. Execution

Once a robust Strategic Plan has been thoroughly developed, Objectives understood, Goals have been set and data Analytics are in place - then what? Many organizations fail to achieve desired Results due to poor (of often no) effective Execution. So why to organization’s tend to often fail at Execution?

Healthcare is a complex and challenging field with many moving parts and everchanging economic, regulatory and industry dynamics. Most healthcare leaders and providers are very often totally consumed with the burdens of just maintaining day to day operations. Providers tasked with ever increasing practice demands and leaders struggling with their daily workloads often lack the energy and resources necessary to reach the performance levels that they desire. As a result, software and systems designed to simply report on current performance almost never facilitate favorable performance changes. They simply continue to report the “status quo” and over time, “the needle never moves”.

EBMGroup’s solution to effective Execution is to provide clients with both robust Business Intelligence technology (SAE Optimizer™) combined with expert Performance Optimization Consulting resources. This proven combination leverages the depth and breadth of your team to both identify opportunities for Performance Improvement and assure effective Execution to

achieve desired results. We utilize a Total Managed Service Approach specifically designed to *anticipate, identify and inform* our clients of new and existing opportunities on a monthly basis. Our Team, through detailed and ongoing review of actual client data will identify and recommend specific actions as well as provide virtual and “boots on the ground” resources in partnership with each client to drive value through successful Execution.

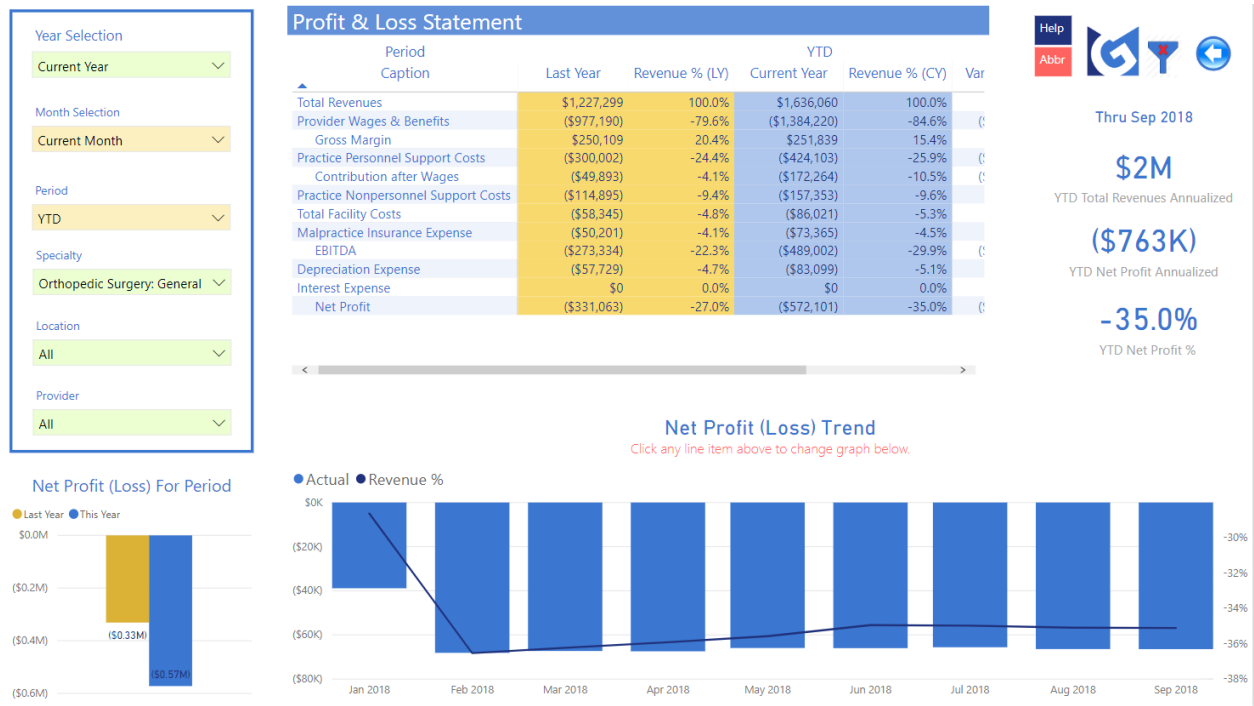
Detailed Performance Reviews, Internal / External Benchmarking and Profit & Loss Drilldowns are just a few examples of how Physician Enterprise Clients and EBMGroup jointly monitor successful Execution. Figure 4 shows how a structured Performance Reviews can clearly and easily identify performance variances across key KPIs by Specialty and by Provider.

Figure 4. Provider Performance Reviews across 10 custom KPIs



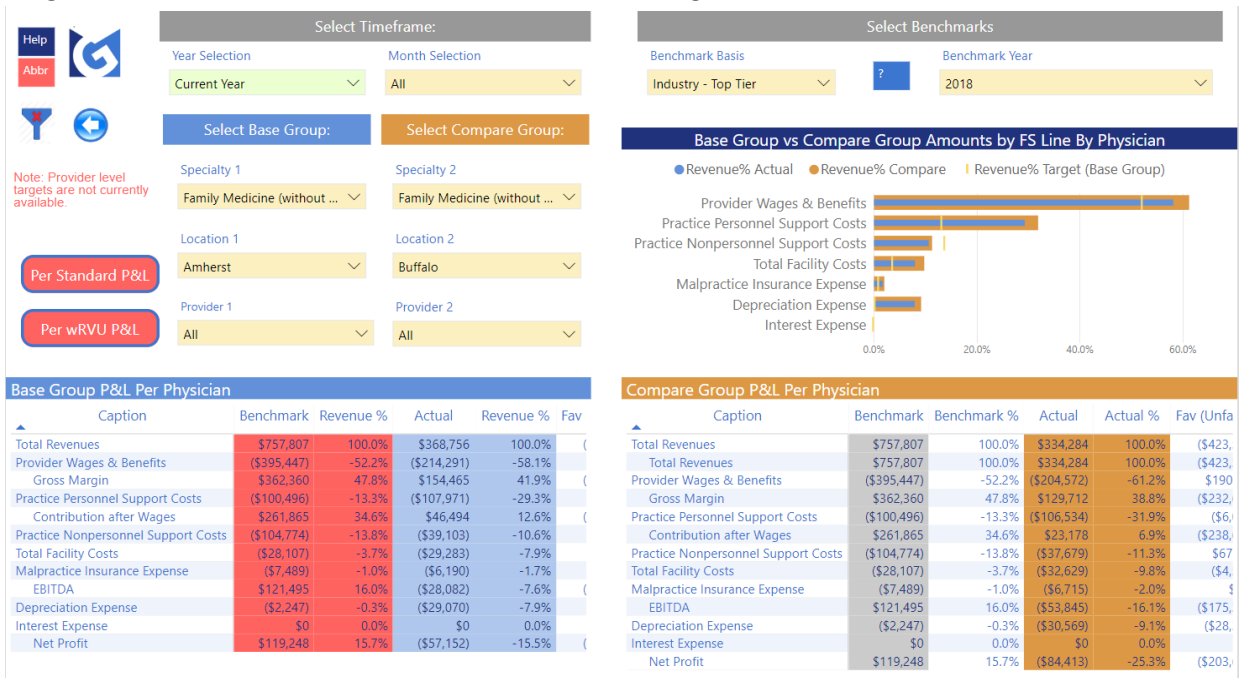
While most organizations routinely create and report Profit & Loss Statements (P&Ls) at the organizational or Physician Enterprise level, many may lack the internal ability to develop and report Financial Performance at the individual Provider level. EBMGroup utilizes SAE Optimizer™ proprietary methodology to enable the client to understand and report P&L at all levels of the organization. Demonstrating to the individual Provider how the Financial Performance of their individual practices impacts overall Enterprise Performance is a power tool that can be used to identify and reward Performance Improvement at the Individual Provider Level. Figure 5 illustrates P&L drilldown to the Individual Provider Level.

Figure 5. P&L Drilldown to the Individual Provider Level



How does a Physician Enterprise know if their level of Financial Performance measures up to other similar organizations? Figure 6 demonstrates how we compare current levels of Financial Performance to National Benchmarks and across internal peers.

Figure 6. Utilization of Internal & External Benchmarking



Understanding if, how and why practice performance varies to benchmark and across multiple sites and providers yields keen insights into where Performance Optimization efforts should be focused.

EBMGroup's proven approach to supporting client execution includes a thorough, ongoing, hands on review of actual client data and reporting to identify and recommend specific insights and actions aimed at driving Performance Optimization. In partnership with our clients, we serve to "read the tea leaves" for them and uncover Performance changes and Opportunities and Actions.

Each of the key areas of Strategy, Analytics and Execution relies heavily one upon the other. Separately, each can offer some merit. However, the true value is locked in the synergy when combined in a total approach. EBMGroup's industry Knowledge and Expertise combined with SAE Optimizer™, powered by GrandMetrics™ technological capabilities offers Physician Enterprises a powerful and effective means of Performance Optimization success.

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